

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00  
DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03 /034 W  
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FM AMEMBASSY BUCHAREST  
TO SECSTATE WASHDC 1300

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E.O.'11652: N/A  
TAGS: EAIR, RO  
SUBJ: PAN AM AND TAROM SALES QUOTA AGREEMENT

REF: (A) BUCHAREST 308

1. SUMMARY. TAROM AND PAN AM REACHED AGREEMENT JANUARY 26  
ON SALES QUOTAS FOR 1977 AND 1978, THEREBY CLEARING WAY FOR  
INTERGOVERNMENTAL DISCUSSIONS ON BILATERAL AIR AGREEMENT. WE  
REQUEST GUIDANCE CONCERNING DATES FBY BILATERAL NEGOTIATIONS.  
END SUMMARY.

2. IN TWO AND ONE HALF DAYS OF TALKS PAN-AM AND TAROM HAMMERED  
OUT MEMORANDUM OF UNDERSTANDING CONCERNING TRANSATLANTIC PASSENGER  
MARKET FOR THIS YEAR AND NEXT,: -&433.3,5 049;3\$ 7,3/03:53\$)6  
3- 6 59 ,3&958-53 -\*534 0-, -. :97,5343\$, WITH AID OF EMBASSY'S  
VISA DATA, TAROM'S EXTREMELY LOW FIGURES ON CROSSINGS.  
TAROM OFFICIALS PUT UP NO REAL RESISTANCE TO CONCEPT OF LOCAL  
CURRENCY SALES QUOTA; IN FACT ONE OF THEM EXPRESSED RELIEF TO EMBOFF  
THAT PAN AM HAD FOUND FORMQMA WITH WHICH THEY COULD LIVE.

3. SUBSTANTIVE PART OF MEMORANDUM OF UNDERSTANDING, COPY  
OF WHICH BEING POUCHED TO EB/TT/OA, IS AS FOLLOWS:

QTE IT WAS AGREED THAT, ACTING AS GENERAL SALES AGENT FOR  
PAN AMERICAN IN ROMANIAN, TAROM WOULD AGREE TO ACCEPT A QUOTA FOR  
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SALES ON PAN AM OF 40 PERCENT IN CWAENDAR 1977 AND 50 PERCENT  
IN CALENDAR 1978 OF THE TRANSATLANTIC PASSENGER MARKET WHICH  
ORIGINATES IN ROMANIA FOR TRAVEL TO D  
D FROM THE UNITED STATES  
AND FOR WHICH PAYMENT IS MADE IN LEI. SUCH MARKET IS DEFINED  
IN THE ATTACHMENT TO THE MEMORANDUM.  
THE ESTIMATE OF THE 1976 MARKET AS SHOWN IN THE ATTACHMENT

WILL BE USED BY TAROM FOR ITS PRELIMINARY SALES QUOTA FOR 1977. WHEN THE NUMBER OF UNITED STATES VISAS THAT WERE ACTUALLY ISSUED IN 1977 IS KNOWN (DURING THE FIRST QUARTER OF 1978) THE DIFFERENCES BETWEEN 1977 TRANSATLANTIC CROSSINGS TICKETED ON PAN AM AND 40 PERCENT OF THE ESTIMATED CROSSINGS IN THE 1977 MARKET WILL BE DETERMINED. ANY DIFFERENCE WILL THEN BE ADDED TO OR SUBTRACTED FROM THE 1978 QUOTA. UNQTE.

4. PREECE, WHO LEJKPAN AM DELEGATION, ALSO RAISED AT SEVERAL POINTS DURING NEGOTIATIONS COMPANY'S CONCERN OVER OPERATING PROBLEMS. TAROM OFFICIALS EXPRESSED SYMPATHY WITH PROBLEMS ENCOUNTERED, INDICATING THEY HAD INTERVENED ON PAN AM'S BEHALF WITH CIVAIR AUTHORITIES. (PAN AM REP BASSO INFORMS US THAT FOLLOWING SIGNING OF MEMORANDUM, AIRPORT AUTHORITIES HAVE EXTENDED UNPRECEDENTED COOPERATION.)

5. IN TYPICAL ROMANIAN FASHION, SIGNING OF MEMORANDUM STAGE-MANAGED TO COINCIDE WITH CONCLUSION OF PAN AM'S \$600,000 CONTRACT WITHFTO TEHNOIMPORT FOR MAINTENANCE OF TWO BOEING AIRCRAFT PURCHASED PREVIOUSLY FROM PAN AM.

6. ON BASIS OF MEMORANDUM AND INTEREST EXPRESSED IN OPERATIMU PROBLEMS PREECE TOLD AMBASSADOR THAT HE WILL INFORM DEPARTMENT OF PAN AM'S SUPPORT FOR NEGOTIATIONS CONCERNING BILATERAL. PREECE'S OWN PREDILECTION IS FOR RENEWAL OF BILATERAL FOR ONE OR TWO YEARS IN ORDER TO KEEP PRESSURE ON TAROM TO FULFILL TERMS OF SALES QUOTA. EMBASSY WILL EXPRESS ITS VIEWS ON THIS AND OTHER ASPECTS OF BILATERAL WHEN NEGOTIATIONS ARE SET.

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7. ACTION REQUESTED: WITH BILATERAL, AS EXTENDED, DUE TO EXPIRE ON MARCH 31 WE WOULD APPRECIATE PROMPT DEPARTMENTAL INSTRUCTION ON INTERGOVERNMENTAL NEGOTIATIONS. PREECE HAS ALREADY ALLUDED TO US AND ROMANIANS ABBT CONTINUING HEAVY AVIATION NEGOTIATION PROBLEM. WHILE ROMANIANS MIGHT NOT TAKE GRAVE OFFENSE AT FURTHER EXTENSION (BASED ON WORKING LEVEL REACTION), WE WOULD PREFER TO HAVE NEGOTIATIONS HELD BEFORE EXTENSION EXPIRES. WE UNDERSTAND THAT THERE MAY BE ONE WTGEJFFREE IN MARCH WHICH WE WOULD LIKE TO PROPOSE. IF NEGOTIATIONS PRIOR TO X4:# 31 ARE NOT FEJCIBLE WE THINK IT IMPERATIVE THAT WE RECEIVE TEXT OF PROPOSED SECOND EXTENSION SO

EST.  
BARNES

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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